Alternate Contribution Rate (ACR)

On February 24, 2012, the ASRS sent an e-mail regarding the implementation of the Alternate Contribution Rate (ACR). This **Employer Update** is provided to help employers implement and administer the ACR.

To summarize, beginning July 1, 2012, all ASRS employers shall remit alternate contributions for each ASRS retiree who returns to work in a position that would be considered an employee position of the employer. Regardless of whether the retiree works one hour per day or forty hours per week, the ACR applies. The ACR is actuarially determined on an annual basis and will be 8.64% effective July 1, 2012. The ACR will be applied to the compensation, gross salary, or contract fee of the ASRS retiree. Please see A.R.S. §38-766.02 for text of the law establishing ACR, including definitions of eligible pay.

Alternate contributions shall be remitted on a per pay period basis through the ASRS website. ACR payments shall be submitted by using the Automated Clearing House (ACH) method; no other payment method will be accepted. The appropriate remittance of ACR payments is due 14 calendar days after the last applicable pay period. Any payment received after the due date is considered delinquent and subject to late charges.

Employers shall report the retiree's SSN, first and last name, gross pay amount, employer's ACR amount, employer reporting unit number, employer number and retiree return to work type (direct hire, leased, or independently contracted).

- **SSN** = Social Security number
- **Employer number** = six digit number provided to employer by the ASRS
- **First / last name** = Name of employee
- **Gross pay** = gross amount paid to a retired member as salary or wages, including amounts subject to deferred compensation or tax shelter agreements for services rendered
- **ACR amount** = applies to gross compensation, gross salary, or contract fee earned by the ASRS retiree

- **Employer reporting unit number** = three digit code provided to employer by the ASRS
- **Retiree return to work type** = retiree returned to work as a direct hire (D), leased employee (L), or independent contractor (C).

DATA ITEM	FORMAT	EXAMPLE
SSN	999999999	123456789
Employer Number	999999	123456
First Name	John JR III	Jane
Last Name	Smith	Doe
Gross Pay Amount	9999999.99	200.12
Alternate Contribution Amount	9999999.99	17.29
Reporting Unit Number	999	123
Retiree RTW Type	C D L	D
Pay Period Ending	MM/DD/YYYY	08/01/2012
Retiree Return to Work Date	MM/DD/YYYY	08/01/2012
Retiree Termination Date	MM/DD/YYYY	08/01/2012

The ACR process has been designed to be similar to the online contribution reporting system. By clicking on the link you will be provided a step-by-step instructions in the **ACR Guide**. Although the functionality of the ACR process will remain the same, the screen shots are still being finalized and may differ slightly from those in the initial Guide. The final version of the Guide will be available by July 1st. For employer convenience, the initial assignment of roles for the ACR reporting application will mirror the existing structure for contribution reporting. Employers can then decide if they need to make changes or otherwise manage which staff have access to report ACR payments to ASRS.

To determine if a member of the ASRS is retired, employers may use the "Check Member Eligibility" tool provided on the ASRS website.

Please note, if you are an employer who uses a third party vendor to supply employees, you should inform them of this change. ASRS Employer Relations is currently in the process of producing a web-based tutorial to assist employers in understanding the ACR.

If you have any questions regarding the ACR, please send an e-mail to employerrelations@azasrs.gov. ∎

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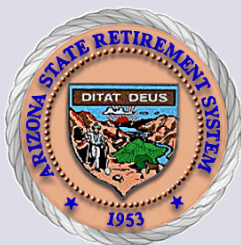**Mark Muraoka**
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Secure Email

Log in to your employer user account on the ASRS website:

www.azasrs.gov

Click **Secure Email** to send sensitive information and attachments directly to Employer Relations.

Online Ending Payroll Verification

The ASRS is pleased to announce that an Online Ending Payroll Verification (OLEPV) application will be available soon to all employers. Currently, a small number of ASRS employers are using the new OLEPV application mode and will be providing feedback on its function and performance. This feedback will allow ASRS to identify any problems with the application and develop comprehensive training materials.

The online application will generate ending payroll verification forms when an employee terminates and requests a refund, retires or when a death is reported. The forms will be accessed and completed online by employers and submitted to ASRS through our website. This should result in more efficient processing and less delays in disbursements.

Click the link to access the **Ending Payroll Verification Guide**. We expect the rollout phase to end by July 2012 at which time all employers will have access to the application and will be expected to use it. We anticipate paper Ending Payroll Verification forms will no longer be accepted effective October 1, 2012.

If you wish to join the initial rollout phase and begin using the new online application before July, please contact Mark Muraoka at 602-240-2093, markm@azasrs.gov or employerrelations@azasrs.gov. ■

New Staff? Changing Roles?

Current contact information is essential for the ASRS to improve the integrity of our data and better serve our employer partners. The best way to update your employer's important contact information is through your employer account on the ASRS website. When you have changes to your staff, such as human resources managers, payroll managers, and benefit or health insurance liaisons, ensure that they and other key people receive important information from ASRS Employer Relations by adding them as web users to your employer account. ■